

April A Ingram (615) 252-2302 Fax (615) 252-6302

7204 J&11 12 P1; Email aingram@boultcummings.com

January 12, 2004. A. DOCKET ROOM

VIA HAND DELIVERY

04-00011

Honorable Deborah Taylor Tate, Chairman Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, Tennessee 37243

Re:

Application of Kentucky Data Link, Inc. d/b/a Cinergy Networks for

Authority to Provide Local Telecommunications Services

Dear Chairman Tate:

Kentucky Data Link, Inc. d/b/a Cinergy Networks ("KDL" or "Applicant") hereby submits the enclosed Application for a Certificate of Convenience and Necessity. The Applicant seeks authority to provide resold and facilities-based local and long distance telecommunications services in Tennessee. A \$20,000 letter of credit has been provided.

An original and fourteen (14) copies of the Application are provided. Filed under separate cover is Exhibit F to the Application, which contains proprietary financial information. Because this information is highly confidential, KDL requests that the Tennessee Regulatory Authority not disclose this Exhibit to the public or to any of the Applicant's competitors.

Also enclosed is a check in the amount of \$25.00 for filing fees. Notice of this filing has been served on interested parties.

Please date-stamp one copy and return it to the undersigned. If you have questions regarding this matter, or if you require additional information, please give me a call at 252-2302.

Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

Бу:

April A. Ingram

AAI/aaı

cc: Anthony Candelario, Esq.

#### BEFORE THE

#### TENNESSEE REGULATORY AUTHORITY

IN THE MATTER OF THE	)		
APPLICATION OF	)		
KENTUCKY DATA LINK, INC.	)		
D/B/A CINERGY NETWORKS	)	TRA Docket No.	
FOR A CERTIFICATE TO	)		_
PROVIDE COMPETING LOCAL	)		
TELECOMMUNICATIONS SERVICES	j		

### APPLICATION FOR CERTIFICATE TO PROVIDE COMPETING LOCAL TELECOMMUNICATIONS SERVICES

Pursuant to applicable Tennessee Statutes and the Rules and Regulations of the Tennessee Regulatory Authority and Section 253 of the Federal Telecommunications Act of 1996 ("Act"), Kentucky Data Link, Inc. d/b/a Cinergy Networks ("Applicant") respectfully requests that the Tennessee Regulatory Authority ("TRA") grant to Applicant authority to provide competing local telecommunications services, including exchange access telecommunications services, within the State of Tennessee. Applicant is willing and able to comply with all applicable rules and regulations in Tennessee pertaining to the provision of competing local telecommunications services. TCA 65-4-201

In support of its Application, Applicant submits the following:

#### 1. The full name and address of the Applicant is:

Kentucky Data Link, Inc. d/b/a Cinergy Networks 1419 W. Lloyd Expressway, Suite 100 Evansville, Indiana 47710 Telephone: (812) 456-1205

#### Questions regarding this application should be directed to:

Anthony J. Candelario
Corporate Counsel
Kentucky Data Link, Inc. d/b/a Cinergy Networks
8829 Bond Street
Overland Park, Kansas 66214

Telephone: (913) 492-1230 extension 5183

Facsimile: (913) 492-1684

#### Contact name and address at the Company is:

Anthony J. Candelario Corporate Counsel Kentucky Data Link, Inc. d/b/a Cinergy Networks 8829 Bond Street Overland Park, Kansas 66214

Telephone: (913) 492-1230 extension 5183

Facsimile: (913) 492-1684

#### 2. Organizational Chart of Corporate Structure:

See Exhibit A

#### 3. Corporate information:

Applicant was incorporated in the state of Kentucky on April 13, 1990. A copy of Applicant's Articles of Incorporation and amendments are provided in Exhibit B. A copy of Applicant's authority to transact business in the State of Tennessee is provided in Exhibit C. The names and addresses of the principal corporate officers are in **Exhibit D**. The biographies of the principal officers and any other key technical staff are in Exhibit E.

4. Applicant possesses the managerial, technical, and financial ability to provide local telecommunications service in the State of Tennessee as demonstrated below:

#### A. Managerial Ability:

As shown in **Exhibit E** to this Application, Applicant has the managerial expertise to successfully operate a telecommunications enterprise in Tennessee. As described in the attached biographical information, Applicant's management team has extensive management and business experience in telecommunications. Applicant's officers and senior managers have combined managerial. telecommunications, technical and financial experience of over 135 years. Each member of Applicant's management team will draw upon his or her own experience, as well as the collective experience of the entire management team, to ensure that Applicant is managed and operated efficiently and profitably.

#### B. <u>Technical Qualifications</u>:

Applicant services will satisfy the minimum standards established by the TRA. Applicant will file and maintain tariffs in the manner prescribed by the TRA and will meet minimum basic local standards, including quality of service and billing standards required of all LEC'S regulated by the TRA. Applicant will not require customers to purchase Customer Premises Equipment, which cannot be used with the Incumbent Local Exchange Carrier's systems. Applicant employs an outstanding

team of engineers and network specialists. Collectively, its senior technical managers have designed, managed and/or operated advanced telecommunications facilities in the United States. A detailed description of their technical competence is noted in the biographies found in **Exhibit E**. Thus, Applicant is certainly technically qualified to provide local exchange service in Tennessee.

#### C. Financial Qualifications:

Applicant is financially qualified to provide the telecommunications services for which authority is being requested in Tennessee. In particular, Applicant has access to the financing and capital necessary to conduct its telecommunications operations as specified in this application. This capital will be available to meet the current and future capital needs of Applicant's Tennessee operations. In support of Applicant's financial qualifications, Applicant submits a copy of Applicant's most recent audited financial statements, along with a three-year projected forecast in **Exhibit F**.

Exhibit F summarizes the recent financial performance of Applicant and is offered to demonstrate Applicant's financial ability to provide the proposed service. Included is Applicant's income statement, balance sheet, and statement of cash flows for Applicant's fiscal year-end 2002. Also included are interim statements for 2003 and projections for 2004, 2005, and 2006 including income statements, balance sheets and statement of cash flows. Thus, Applicant asserts that it has the financial resources necessary to operate as a competitive local service provider in Tennessee.

**Exhibit G** sets forth Applicant's capital expenditures budget for 2004, 2005, and 2006 including the source for the funding of Applicant's projected capital expenditures.

Applicant's financials nor its projected financials reflect any revenues or expenses associated with reciprocal compensation.

Irrevocable Letter of Credit is provided as Exhibit H.

#### 5. <u>Proposed Service Area:</u>

Applicant intends to offer its services throughout the State of Tennessee through the use of its own facilities, resold facilities, and through a combination of these provisioning methods. Applicant is already authorized to provide telecommunications services in Illinois, Indiana, and Kentucky.

#### 6. Types of Local Exchange Service to be provided:

Applicant plans to offer resold and facilities-based local and long distance telecommunications services in Tennessee. Applicant will offer high speed service from DS-1 to OC-48 circuits primarily to other carriers and secondary to business customers. All services are available 24 hours a day/7 days per week.

#### 7. Repair and Maintenance:

Applicant understands the importance of effective customer service for local service customers. Applicant has made arrangements for its customers to call the company at its toll-free customer service number 1-877-700-4535. In addition, customers may contact the company in writing at the headquarters address, as well as via email at noc@kdlinc.com. The toll free number will be printed on the customer's monthly billing statements. The contact person knowledgeable about Applicant's operations is Jim Collins, Vice President of Operations.

Grant of the Application will further the goals of the Tennessee Legislature and further the public interest by expanding the availability of competitive telecommunications services in the State of Tennessee. In addition, intrastate offering of these services is in the public interest because the services will provide Tennessee customers increased efficiencies and cost savings. Authorizing Applicant to provide local exchange telecommunications services will enhance materially the telecommunications infrastructure in the State of Tennessee and will facilitate economic development.

In particular, the public will benefit both directly, through the use of the competitive services to be offered by Applicant and indirectly, because Applicant's presence in Tennessee will increase the incentives for other telecommunications providers to operate more efficiently, offer more innovative services, reduce their prices, and improve their quality of service. Grant of this Application will further enhance the service options available to Tennessee citizens for the reasons set forth above.

8. <u>Small and Minority-Owned Telecommunications Business Participation Plan:</u> (65-5-212):

See Exhibit I.

9. <u>Toll Dialing Parity Plan:</u>

See Exhibit J.

- 10. Applicant has served notice of this application to the eighteen (18) incumbent local exchange telephone companies in Tennessee with a statement regarding the companies intention of operating geographically. See **Exhibit K** for the list.
- 11. Numbering Issues: Statement provided in Exhibit L.
- 12. Tennessee Specific Operational Issues: Statements provided in **Exhibit M**.

#### 13. Miscellaneous:

- A. Sworn Pre-filed testimony: See Exhibit N.
- B. Applicant does not require customer deposits.
- C. To the best of its knowledge, Applicant has not been subject to complaints in any of the states in which we are doing business.

#### **CONCLUSION:**

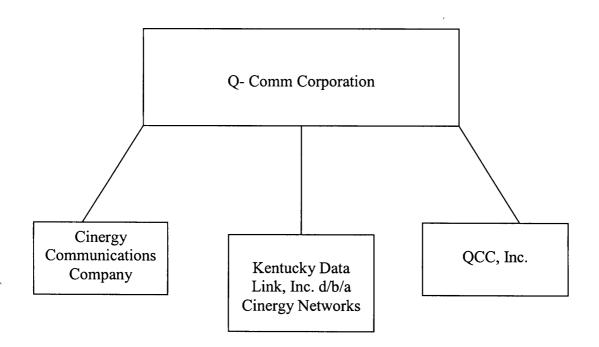
Applicant respectfully requests that the TRA enter an order granting it a certificate of convenience and necessity to operate as a competing telecommunications service provider and authority to provide a full range of local exchange on a facilities-based and resale basis throughout the State of Tennessee in the service areas of Bell South, GTE and Sprint and any other ILEC that does not enjoy a rural exemption under Section 251(f) of the Telecommunications Act of 1996. For the reasons stated above, Applicant's provision of these services would promote the public interest by providing high-quality service at competitive prices and by creating greater economic incentives for the development and improvement for all competing providers.

#### **VERIFICATION**

I am authorized to represent Kentucky Data Link, Inc. d/b/a Cinergy Networks and to make this verification on its behalf. I have read the foregoing document and know the contents thereof. I affirm that the foregoing representations are true to the best of my knowledge and belief.

knowledge and belief.	
	By: Anthony J. Candelario Printed: Anthony J. Candelario Title: Corporate Councel Date: January 8, 2004
State of Kansas ) SS: County of Johnson )	
BEVERLY J. TREFFER  Printed	day of January , 2004.  BEVERLY J TREFFER Notary Fublic - State of Kansas of Expires 08/14/2006
My Commission Expires: 08/14/2006	

# Exhibit A



# Exhibit B

INC. TAX

RECEIVED AND HILLU

DATE	APR	1	3	1990

TIME"

DONALD W. BLEVINS FAYETTE COURTY CLERK

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**AMOUNT** 

ARTICLES OF INCORPORATION

BREMER EHRLER SECRETARY OF STATE

OF

}

KENTUCKY DATA LINK, INC.

- The corporation's name shall be KENTUCKY DATA LINK, INC.
  - The corporation's duration shall be perpetual. 2.
- The corporation's purposes shall be to transact any and all business for which private corporations may be incorporated under KRS Chapter 271.B, including, but not limited to ownership and sale of data services and equipment of all kinds and all other lawful business which a corporation in this Commonwealth may conduct.
- The corporation shall have authority to issue 2000 shares of stock without par value.
- The address of the corporation's initial 5. registered office and its principal office shall be:

2647 Regency Road Lexington, KY 40503

The name and address of the corporation's initial registered agent shall be A.D. WRIGHT, JR., 2647 Regency Road, Lexington, KY 40503.

The number of directors constituting the corporation's initial board of directors shall be three.

after the number of directors shall be as fixed in the bylaws. The name and residence address of the initial members of the board of directors are as follows:

A.D. WRIGHT, JR.
611 Broadway
P.O. Box 1337
Paducah, KY 42001

MARTHA LAYNE COLLINS 2647 Regency Road P.O. Box 11890 Lexington, KY 40503

MICHAEL REYNOLDS 2220 Nicholasville Road Lexington, KY 40503

The directors of the corporation shall serve at the pleasure of the shareholders, and any director may be removed without cause by an affirmative vote of a majority of the shareholders, or by unanimous written consent of all the shareholders.

The officers of the corporation shall serve at the pleasure of the board of directors, and any officer may be removed without cause by an affirmative vote of a majority of the directors, or by unanimous written consent of all of the directors.

7. The name and address of the incorporator is as follows:

A.D. WRIGHT, JR. 2647 Regency Road Lexington, KY 40503

This 30 day of March, 1990.

A.D. WRIGHT, R

STATE OF KENTUCKY COUNTY OF MCCRACKEN ... SCT.

Acknowledged, subscribed and sworn to before me by

A. D. WRIGHT, JR., this 30 day of March, 1990.

My commission expires

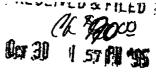
seal

This instrument prepared by:

Dorsey, Sullivan, King, Gray & Norment 318 Second Street

Henderson, Kentucky 42420

(502) 826-3965



# AMENDED AND RESTATED ARTICLES OF INCORPORATIONABBAGE OF KENTUCKY DATA LINK, INC.

Pursuant to KRS 271B.10-070, the undersigned corporation hereby executes the following Amended And Restated Articles Of Incorporation:

- (A) The name of the corporation is Kentucky Data Link, Inc.
- (B) The following Amended And Restated Articles Of Incorporation were adopted by the Shareholders of the corporation at a meeting held on October 23, 1995 in the manner prescribed by the Kentucky Business Corporation Act:
  - 1. The name of the corporation is Kentucky Data Link, Inc.
  - 2. The street address of the registered office of the corporation is 611 Broadway, Paducah, Kentucky 42001. The name of the registered agent is A. D. Wright, Jr.
  - 3. The mailing address of the principal office of the corporation is 611 Broadway, Paducah, Kentucky 42001.
  - 4. The total number of shares of common stock which may issued by the corporation is 3,000 no par value.
  - 5. The business and affairs of the corporation are to be conducted by a board of directors, the number to be set in the manner provided in the Bylaws.
  - 6. No director shall be personally liable to the corporation or its shareholders for monetary damages for breach of his duties as a director except to the extent that the applicable law from time to time in effect shall provide that such liability may not be eliminated or limited. Neither the

amendment nor repeal of this section shall affect the liability of any director of the corporation with respect to any act or failure to act which occurred prior to the amendment or appeal. This section is not intended to eliminate or limit any protection otherwise available to the directors of the corporation.

(C) The designation and number of shares entitled to vote on this matter is 1,000 shares of common stock. Present at the meeting were shareholders representing 1,000 shares of the common stock of the Corporation and which constitute all of the shareholders entitled to vote on such Amended And Restated Articles Of Incorporation.

(D) The total number of votes cast by each voting group entitled to vote separately thereon for and against such amendment, respectively, was:

Number of Votes Cast For Against

**Voting Group** 

1

Common Shareholders

1.000

0

(E) The foregoing Amended And Restated Articles Of Incorporation supersede the original Articles Of Incorporation and all previous amendments thereto.

IN WITNESS WHEREOF, the undersigned duly authorized officer has executed these Amended And Restated Articles Of Incorporation on this the 24th day of October, 1995.

KENTUCKY DATA LINK, INC.

Bv:

D. Wright, Ir., Preside

KDL.82

### COMMONWEALTH OF KENTUCKY COUNTY OF McCRACKEN

The foregoing was subscribed, sworn to, and acknowledged before me by A. D. Wright, Jr., President of Kentucky Data Link, Inc., on this day of October, 1995.

My commission expires: 10-7-97

Notary Public

C. Ramoge

# **Exhibit C**

**Secretary of State Division of Business Services** 312 Eighth Avenue North 6th Floor, William R. Snodgrass Tower Nashville, Tennessee 37243

ISSUANCE DATE: 01/06/2004 REQUEST NUMBER: 4993-0602A TELEPHONE CONTACT: (615) 741-6488

CHARTER/QUALIFICATION DATE: 05/20/1999 STATUS: ACTIVE CORPORATE EXPIRATION DATE: PERPETUAL CONTROL NUMBER: 0371193 JURISDICTION: KENTUCKY

KENTUCKY DATA LINK, INC %ANTHONY CANDELARIO 8829 BOND ST OVERLAND PARK, KS 66214

REQUESTED BY: KENTUCKY DATA LINK, INC %ANTHONY CANDELARIO 8829 BOND ST OVERLAND PARK, KS 66214

#### CERTIFICATE OF AUTHORIZATION

I, RILEY C DARNELL, SECRETARY OF STATE OF THE STATE OF TENNESSEE DO HEREBY CERTIFY THAT "KENTUCKY DATA LINK, INC."

A CORPORATION FORMED IN THE JURISDICTION SET FORTH ABOVE, IS AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE; THAT ALL FEES, TAXES, AND PENALTIES OWED TO THIS STATE WHICH AFFECT THE AUTHORIZATION OF THE CORPORATION HAVE BEEN PAID; THAT THE MOST RECENT CORPORATION ANNUAL REPORT REQUIRED HAS BEEN FILED WITH THIS OFFICE; AND THAT AN APPLICATION FOR CERTIFICATE OF WITHDRAWAL HAS NOT BEEN FILED.

FOR: REQUEST FOR CERTIFICATE

ON DATE: 12/29/03

KENTUCKY DATA\_LINK INC 8833 D BOND ST

FEES \$20.00 TOTAL PAYMENT RECEIVED:

RECEIVED:

\$0.00

**OVERLAND PARK, KS 66214-0000** 

\$20.00

RECEIPT NUMBER: 00003398320 ACCOUNT NUMBER: 00312683



RILEY C. DARNELL SECRETARY OF STATE

SS-4458

# Exhibit D

#### Kentucky Data Link, Inc.

#### d/b/a Cinergy Networks

#### Officers/Directors

President

John C. Greenbank

1419 W. Lloyd Expressway

Suite 100

Evansville, Indiana 47710

Executive Vice-President & Secretary

Cole W. Hawks

8829 Bond Street

Overland Park, Kansas 66214

Chief Financial Officer, Vice-President & Treasurer

Lohn H. Weber

8829 Bond Street

Overland Park, Kansas 66214

Director

Albert E. Cinelli

8829 Bond Street

Overland Park, Kansas 66214

Director

John P. Cinelli

1419 W. Lloyd Expressway

Suite 100

Evansville, Indiana 47710

Director

John C. Greenbank

1419 W. Lloyd Expressway

Suite 100

Evansville, Indiana 47710

# Exhibit E

#### Kentucky Data Link, Inc. d/b/a Cinergy Networks

#### John Greenbank - President

Mr. Greenbank oversees every aspect of KDL, Inc.'s operations and sales. His main responsibilities include network management, rights of way negotiations, fiber builds and the day-to-day maintenance of the network. During Mr. Greenbank's tenure at KDL, Inc., its fiber network has grown significantly and now covers more than 2000 miles spanning from Indianapolis, IN to Cincinnati, OH to Lexington, KY to Chattanooga, TN and Paducah, KY. Mr. Greenbank joined the parent of KDL, Inc., Q-Comm Corporation, in 1992 and was a key participant in building that Company's operational departments. In addition, he has been an essential advisor on the future growth of Q-Comm. Before working at Q-Comm, Mr. Greenbank gained a vast amount of telecommunications experience as a senior applications engineer working for several interconnect companies. As project manager, he coordinated many large PBX installations throughout the United States.

#### Cole Hawks - Executive Vice President

Mr. Hawks is actively involved in the management of KDL, Inc.'s business development and the company's contract negotiations and legal affairs. Along with Mr. Greenbank, Mr. Hawks has been intimately involved in the company's fiber network expansion. Mr. Hawks joined the company in May of 1996. Mr. Hawks received his Bachelor of Business Administration in Management and Economics, Summa Cum Laude, from Wichita State University and his Juris Doctorate from the University of Kansas School of Law.

#### James Collins - Vice President of Operations

Mr. Collins manages the daily operation of KDL, Inc. As Vice President of Operations, he leads the engineering, construction, operation, maintenance and service implementation functions for KDL, Inc. Prior to joining the KDL, Inc. team, Mr. Collins worked at American Electric Power as the Director of Engineering and Construction for two wholly-owned subsidiaries, AEP Communications and C3 Networks. While at AEP, he led the deployment of more than 7,000 route miles of fiber optic network equipped with Sonet and DWDM capacity. While working for Illinois Power Company, Mr. Collins held a variety of management positions including the responsibility for system operation of the high voltage electric transmission network. Mr. Collins received a Bachelor of Science in Electrical Engineering from Purdue University.

#### Anthony J. Candelario - Corporate Counsel

Mr. Candelario manages the legal and regulatory affairs of KDL, Inc. Mr. Candelario has been intimately involved in obtaining the Company's CLEC and other regulatory certifications and has developed an expertise in negotiating interconnection agreements and pole attachment agreements. Mr. Candelario received his Bachelor of Science in Business Administration and Bachelor of Arts in Economics from the University of Kansas and his Juris Doctorate from the University of Kansas School of Law. Before joining the company in October of 2001, Mr. Candelario worked as corporate counsel for various public and private companies.

#### Phil Simpson - Director, Outside Plant Construction

Mr. Simpson oversees the day-to-day operations, building and maintenance of KDL, Inc.'s fiber optic network. In addition, he is the company's liaison with the electric company whose poles KDL, Inc. uses for its network. Mr. Simpson joined KDL, Inc. in March of 1998. Since joining the company, Mr. Simpson has overseen the building of more than 2,000 miles of fiber network for KDL, Inc. Mr. Simpson has more than 40 years of telecommunications and utility experience, including more than 25 years working for US West. He holds numerous telecommunication systems certifications.

#### Timothy Gimmel - Director, Optical Engineering

Mr. Gimmel directs the design, engineering and installation of the KDL, Inc.'s fiber optic transmission systems. In addition, he also manages the ongoing engineering of the company's fiber optic network. He began working for KDL, Inc.'s parent company, Q-Comm Corporation in 1985 as a interconnect technician. Before his transition to KDL, Inc. in 2001, he worked in every technical department within the company, including managing the company's long distance switching center. During his tenure with KDL, Inc., he has been instrumental to its growth, including designing and building its fiber route from Louisville, KY to Johnson City, TN. Mr. Gimmel holds an Associates Degree in Applied Science from Paducah Community College and numerous telecommunication systems certifications.

#### Jesse Chappell - Manager, Network Operations

Mr. Chappell oversees all day-to-day operations of the Network Operations Center, which cares for all customer activations, customer maintenance and 24x7 network monitoring. Prior to joining the KDL, Inc. team, Mr. Chappell held the position of Director of Network operations for Lightyear Communications where he was responsible for all customer provisioning, activations and 24x7 network monitoring and maintenance. Mr. Chappell has more than 10 years of hands-on direct industry experience. Throughout those years, Mr. Chappell has held a variety of management positions ranging from sales engineering and field operations to network operations.

#### **Russ Hall – Director of Operations**

Mr. Hall directs the operation of KDL, Inc., including provisioning, quoting, network design for customers and project management for outside projects. He began working for KDL, Inc.'s parent company, Q-Comm Corporation in June of 1997 as a customer service representative. Mr. Hall moved rapidly into management, overseeing both provisioning and switch operations before accepting his current position in July of 2001. During his tenure, Mr. Hall has been an instrumental team member when the company re-structured its operations department. As a network cost analysis, Mr. Hall found more than \$250K of monthly savings. Before joining Q-Comm Corporation, he worked in the optical industry and gained experience in technical service, customer service and sales. Mr. Hall holds numerous telecommunications certifications, including SMS800 database, DMS 250 translations and Coppercom LXC/DXC.

### Exhibit F

This exhibit contains confidential and proprietary information

that is being filed separately under seal.

# Exhibit G

#### Capital Expenditures Budget – (2004 – 2006)

Applicant has currently invested over \$2,500,000 in its fiber-optic network in Tennessee and close to \$50,000,000 in its entire fiber-optic network in the states in which Applicant is currently certificated to provide service. Over the next three years, Applicant expects to invest another \$5,000,000 in fiber-optic network and associated equipment in the State of Tennessee. Applicant currently has a \$20,000,000 line of credit that has \$0.00 borrowed against it as of December 1, 2003.

# Exhibit H

# Exhibit I

# SMALL AND MINORITY OWNED TELECOMMUNICATIONS BUSINESS PARTICIPATION PLAN OF KENTUCKY DATA LINK, INC.

#### **Policy Statement**

Kentucky Data Link, Inc., (hereinafter referred to as "KDL") acknowledges the importance of supporting small and minority owned telecommunications business participation in the telecommunications industry and the overall general business participation in the telecommunications business operations of Tennessee. Therefore it is the policy of KDL to facilitate opportunities for Small Telecommunications and Minority Owned Telecommunications Businesses to compete for contracts and subcontracts for goods and services to KDL. KDL is committed to the identification and selection of said businesses in this respect.

Furthermore, with respect to KDL's business operations in the state of Tennessee, it is the policy of KDL to provide information on programs, if any, and provide technical assistance to Small Telecommunications and Minority Owned Telecommunications Businesses when and where available in Tennessee.

Furthermore, KDL acknowledges its obligations to contribute its share to the fund established by the Department of Economic and Community Development in accordance with Section 17 of Chapter 408 of the Public acts of 1995 (the "Act") for the purpose of funding the Small and Minority Owned Telecommunications Business Assistance Program which provides for loan guarantees, technical assistance and services, and consulting education services.

#### **Definitions**

"Act" – Section 16 and 17 of Chapter 408 of the Public Acts for 1995.

"Minority Owned Telecommunications Business" — a telecommunications business which is solely owned, or at least fifty-one percent (51%) of the assets or outstanding stock of which is owned, by an individual who personally manages the daily operations of such business, and who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin and such business has annual gross receipts of less than four million dollars (\$4,000,000.00), or as otherwise modified or amended in the future by the legislature of the State of Tennessee.

"Personally Manages" - actively involved in the day-to-day management.

"Controls" - exercising the power to make policy decisions.

"Who is impeded from normal entry" – individuals who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their qualities as individuals and as provided in the regulations implementing Sections 8(a) and 7(j) of the Small Business Act, as amended by the Business Opportunity Development Reform Act of 1988, and Business Opportunity Development Reform Act Technical Corrections Act, (15 U.S.C. 637(a) and 636(j), as amended by Pub. L. 100-656 and Pub. L. 101-37.

"Small Telecommunications Business" – a telecommunications company with annual gross receipts of less than four million dollars (\$4,000,000.00), or as otherwise modified or amended in the future by the legislature for the State of Tennessee.

"Subcontract" — any agreement (other than one involving an employer-employee relationship) entered into by KDL with a non-affiliated company or individual calling for direct or indirect purchase of raw materials, components, supplies and services needed to support KDL's operations.

#### Goal

The goal of KDL's Small and Minority Owned Telecommunications Business Participation Plan is to identify Small Telecommunications Businesses and Minority Owned Businesses which are qualified to provide goods and services and to promote awareness among Small Telecommunications Businesses and Minority Owned Telecommunications Businesses as to opportunities to develop business relationships with KDL.

#### Plan Implementation

KDL will invite bids, or issue reports for proposals, or otherwise solicit offers from Small and Minority Owned Telecommunication Businesses, except in the case of emergencies, or in cases where KDL is bound by contract to purchase goods and services from other sources, to furnish specified goods and services to KDL in furtherance of KDL's Tennessee operations.

#### Plan Administration

In conducting its business affairs in Tennessee, KDL will appoint one of its employees as the Administrator of the Small and Minority Owned Telecommunications Business Participation Plan. The Administrator will be responsible for obtaining and utilizing available resources for identifying Small and Minority Owned Telecommunications Businesses interested and qualified in furnishing good and services to KDL and to cultivate an awareness among such businesses as to any opportunities to develop business relations with KDL. The Administrator will also serve as a resource for technical assistance to Small and Minority Owned Telecommunications Businesses and will refer such businesses to sources of information and other technical assistance.

#### Plan Administrator

The administration of this Plan will be under the direction of (hereinafter called the "Administrator"):

Name:

John C. Greenbank

Title:

Vice President

Address:

1419 West Lloyd Expressway

Suite 100

Evansville, IN 47710

Telephone:

(812) 461-3355

Facsimile:

(812) 461-3357

The duties of the Administrator are, among other things:

- 1. To develop policies and procedures to assure success of the Plan.
- 2. To maintain a current Plan acceptable to the Tennessee Regulatory Authority.
- 3. To conduct certification surveys as to the status of suppliers.
- 4. To establish and maintain a database and records in support of the Plan pursuant to the requirements of the Tennessee Regulatory Authority.
- 5. To search diligently for qualified small and minority owned telecommunications businesses and concerns through:
  - a. The Small Business Administrations' Procurement Automated Source System (PASS), and publications of the Office of Minority Business Data Center in the Department of Commerce and the Office of Minority Small Business and Capital Ownership Development in the Small Business Administration.
  - b. Local and national associations and Minority Suppliers Development councils.
  - c. Participation in trade fairs and industry meetings.
- 6. To prepare and submit forms and information as may be required by the Tennessee Regulatory Authority.
- 7. Maintain liaison and cooperation with the Tennessee Regulatory Authority, and other agencies of the state of Tennessee to find and utilize qualifying the business concerns defined herein.
- 8. To support activities for assisting buyers in locating and qualifying the business concerns defined herein.
- 9. To provide required records and reports to cooperate in any authorized surveys by the Tennessee Regulatory Authority.

#### Compliance Records

KDL will submit reports, as may be required, for use in connection with subcontracting plans by the Tennessee Regulatory Authority and/or the State of Tennessee. KDL will cooperate fully with all reasonable and appropriate surveys or studies required by the contracting agency in determining program compliance. However, KDL reserved the right to designate documents, reports, surveys and/or studies as "confidential" and/or "proprietary".

#### Record Maintenance

KDL will maintain records relating to KDL's Small and Minority Owned Telecommunications Business Participation Plan for the purpose of evidencing the implementation of this policy, for use by KDL in evaluating the effectiveness of the Plan and in obtaining the goals of the Plan, and for use in updating the Plan on an annual basis with the Tennessee Regulatory Authority, or as otherwise required.

ADOPTED this 8th day June, 1999.

KENTUCKY DATA LĮNK, INC.

By:

John C. Greenbank Vice President

# Exhibit J

#### **Toll Dialing Parity Plan**

At this time, the Applicant proposes not to provide its own Voice Grade Service. Should the Applicant in the future decide to offer Voice Grade Service, the Applicant will comply with FCC and Commission requirements.

# Exhibit K

#### **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of the local application of Kentucky Data Link, Inc. d/b/a Cinergy Networks on the enclosed listing of incumbent LECs operating in the State of Tennessee, by mailing such copy by first class mail, postage prepaid.

April A. Ingram, BPR #018052

Boult, Cummings, Conners & Berry PLC 414 Union Street, Suite 1600 Nashville, TN 37219

January 12, 2004

# Ardmore Telephone Company, Inc.

P.O. Box 549 517 Ardmore Avenue Ardmore, TN 38449

### Century Telephone of Claiborne

P.O. Box 100 507 Main Street New Tazewell, TN 37825

### Citizens Communications Company Of The Volunteer State

P.O. Box 770 300 Bland Street Bluefield, WV 24701

#### **Sprint-United**

112 Sixth Street Bristol, TN 37620

#### TDS Telecom-Tellico Telephone Company, Inc.

P.O. Box 9 102 Spence Street Tellico Plains, TN 37385-0009

### TEC-People's Telephone Company,

Inc.

P.O. Box 310 Erin, TN 37061

#### **BellSouth**

333 Commerce Street Nashville, TN 37201-3300

### Century Telephone of Ooltewah-Collegedale,Inc.

P.O. Box 782 5616 Main Street Ooltewah, TN 37363

### Loretto Telephone Company, Inc.

P.O. Box 130 Loretto, TN 38469

### TDS Telecom-Concord Telephone Exchange, Inc.

P.O. Box 22610 701 Concord Road Knoxville, TN 37933-0610

#### **TDS Telecom-**

Tennessee Telephone Company

P.O. Box 18139

Knoxville, TN 37928-2139

### **TEC-West Tennessee Telephone Company, Inc.**

P.O. Box 10 244 E. Main Street Bradford, TN 38316

### Century Telephone of Adamsville

P.O. Box 405 116 N. Oak Street Adamsville, TN 38310

#### Citizens Communications Company of Tennessee

P.O. Box 770 300 Bland Street Bluefield, WV 24701

### Millington Telephone Company, Inc.

4880 Navy Road Millington, TN 38053

#### TDS Telecom- Humphreys County Telephone Company

P.O. Box 552 203 Long Street New Johnsonville, TN 37134-0552

### TEC-Crockett Telephone Company,

Inc.

P.O. Box 7 Friendship, TN 38034

#### **United Telephone**

Company P.O. Box 38

120 Taylor Street Chapel Hill, TN 37034

# Exhibit L

#### **Numbering Issues Statement**

Kentucky Data Link, Inc. d/b/a Cinergy Networks offer high speed service from DS-1 to OC-48 circuits to primarily to other carriers and secondary to business customers. All services are available 24 hours a day/7 days per week. Should the Applicant in the future decide to offer local or long distance service to customers, the Applicant will comply with the FCC and Commission requirements in Tennessee.

# Exhibit M

#### **Tennessee Specific Operational Issues Statement**

Kentucky Data Link, Inc. d/b/a Cinergy Networks offers high speed service from DS-1 to OC-48 circuits to primarily to other carriers and secondary to business customers. All services are available 24 hours a day/7 days per week. Should the Applicant in the future decide to offer local or long distance service to customers, the Applicant will comply with the FCC and Commission requirements in Tennessee.

### Exhibit N

#### **BEFORE THE**

#### STATE OF TENNESSEE

#### **REGULATORY AUTHORITY**

IN THE MATTER OF THE	)	
APPLICATION OF	)	
KENTUCKY DATA LINK, INC.	)	
D/B/A CINERGY NETWORKS	)	TRA Docket No
FOR A CERTIFICATE TO	)	
PROVIDE COMPETING LOCAL	)	
TELECOMMUNICATIONS SERVICES	)	

#### PRE-FILED TESTIMONY

**OF** 

#### LOHN H. WEBER

#### Chief Financial Officer, Vice-President and Treasurer Kentucky Data Link, Inc. d/b/a Cinergy Networks

- Q1. Will you please state your name and business address.
- A1. My name is Lohn H. Weber. My business address is 8829 Bond Street, Overland Park, Kansas 66214. My telephone number is (913) 492-1230 extension 5122 and facsimile number (913) 492-1684.
- Q2. By whom are you employed and in what capacity?
- A2. In my current capacity, I am Chief Financial Officer, Vice-President and Treasurer at Kentucky Data Link, Inc. d/b/a Cinergy Networks ("KDL"). I hold the same positions with Cinergy Communications Company, QCC, Inc., and Q-Comm Corporation, the parent company of those sister companies.

#### Q3. Please give a brief description of your duties.

A3. I am responsible for all financial aspects of KDL

#### Q4. What is the purpose of your testimony?

A4. This testimony has been filed to answer the question for this Commission as to whether KDL is financially capable to provide the services it proposes in Tennessee.

# Q5. Does KDL have the financial ability to provide competing local exchange services in Tennessee? If so, why?

A5. Yes. KDL is financially qualified to provide the requested telecommunications services in Tennessee, the financial capability to maintain these services, and the financial capability to meet its lease and ownership obligations. There are a variety of facts upon which I base that conclusion. The company has the capital resources required to build and maintain its network and to provide the proposed services. The audited financial statements and three-year projected financial statements KDL has submitted show the financial strength and vitality of KDL to operate as a facilities-based and resold local exchange provider. In addition, KDL currently has a \$20,000,000 line of credit that has \$0.00 borrowed against it as of December 1, 2003. At this time, it is my opinion that KDL will continue to experience strong growth in revenues and assets. True and correct copies of KDL's balance sheet and income statement as of September 30, 2002 are attached to this pre-filed testimony as Exhibit F.

# Q6. Will the granting of a certificate of convenience and necessity to KDL serve the public interest?

A6. Yes. The granting of a certificate of convenience and necessity to KDL will further the goals of the Tennessee Legislature and further the public interest by expanding the availability of competitive telecommunications services in the State of Tennessee.

Tennessee customers will see increased efficiencies and costs savings and the material enhancement of the telecommunications infrastructure in the State of Tennessee would facilitate economic development.

- Q7. Does KDL intend to comply with all TRA rules, statutes, and orders pertaining to the provision of telecommunications services in Tennessee, including those for disconnection and reconnection of service?
- A7. Yes.
- Q8. Has any state ever denied KDL or one of its affiliates authorization to provide intrastate service? Has any state ever revoked the certification of KDL or one of its affiliates?
- A8. To the best of my knowledge and recollection, neither KDL nor any of its affiliates has ever been denied authorization to provide intrastate service or had such certification revoked.
- Q9. Mr. Weber, including your testimony you have given today, do you affirm that to the best of your knowledge and recollection that all financial information submitted by KDL to the Tennessee Regulatory in conjunction with KDL's Application is accurate and true?
- A9. Yes, to the best of my knowledge and recollection, all said information provided to the Tennessee Regulatory Authority is accurate and true.
- Q10. Does this conclude your testimony?
- A10. Yes.

#### **VERIFICATION**

I have read the foregoing document and know the contents thereof. I affirm that the foregoing representations are true to the best of my knowledge and belief.

	By: Mulh
	Printed: Lohn H. Weber
	Title: C.F.O., Vice-President + Treasurer
	Date: <u>January 8, 2004</u>
State of Kansas	) ) cc.
County of Johnson	) SS: )
Sworn and subscribed before  Revuly J. Tre  Notary Public	me this 8th day of JANUARY, 2004.  BEVERLY J TREFFER Notary Public - State of Kansas My Appt Expires 08/14/2006
BEVERLY J. TREF. Printed	My Appt Expires 08/14/2006
My Commission Expires: <u>DE</u>	7/14/2006